

GIVING A THOUGHT TO FIRE INSURANCE

Fair Rates Make Sound Indemnity—Co-ordination Not a Trust or Monopoly—Costs Reduced and Discrimination Prevented—Voluntary Agreement to Restrict Profits.

(Part of a Series of Eight Sketches. Previous Articles will be mailed on request. The Sixth will appear in the Herald next week.)

NOT in a boastful spirit but with deep satisfaction it may be stated, I believe, that no business has played a larger or more generous part in the economic development of the United States than stock fire insurance, and ever since co-ordination for the purpose of rating was accorded public approval and given widespread legislative endorsement, achievements in safeguarding America Against Fire have been signally successful.

It is to the public's interest to pay a fair rate for fire insurance and to get the best possible indemnity—that which is as nearly certain as human foresight can make it. Poor or uncertain insurance is worse than none at all. This series, therefore, has been specific in its references to "stock" fire insurance companies, which are those with paid-in capital stock, adequate reserves (required by the laws of the several states), and surplus accumulations held to make your indemnity the more certain—the companies that are regulated by the most rigid laws, whose standards of solvency are the highest and whose measure of security for your protection under all conditions is the greatest.

In introducing this sketch mention was made of the marked development that has followed public approval of co-ordinated effort. The modern system of fire insurance rating, into which the loss experience on 95 per cent. of the insured property of the country is now gradually being injected, can in no sense be classed as a trust or a monopoly. Our business, today, is conducted to prevent discrimination between insureds, to keep down the cost of the service to the public and at the same time to offer immediate inducements in lower rates to those who safeguard their property from fire, thus giving them a voice in making their own rates.

In the old days all rating was done by officers and field representatives of the companies themselves, but in later years the work has passed into the hands of trained men, experts, independent in a large measure from both stock companies and agents, because of the intense competition in the business between the various companies and their representatives in every hamlet, village and city in the United States. No other result could be expected.

Just how rating is drifting away from direct company control is told in the report of the Illinois Legislative Commission appointed to investigate the whole subject. "The work of constructing basis schedules," the report says, "instead of being performed by secret conclaves of underwriters themselves under star chamber methods, as the public has been led to believe, appears from our testimony to have passed out of their hands almost entirely into the hands of trained experts. The testimony shows that fire companies have little or nothing to do with the construction of schedules. The schedule-maker in fire insurance today occupies a position analogous to that of the actuary in life insurance. He is expected to deal with fire hazards by analysis and classifications of elementary parts."

Coordination among companies to reduce costs and prevent discriminations between insureds; schedule rating, subject to basic review by the State if desired; and adequate insurance to value, a point touched upon briefly in a previous sketch—these elements, I contend, together with a limitation on the maximum distributable profit to be realized on the net transactions of the companies, form the safest and sanest method yet devised for the economic administration of any business of a quasi-public character. This, indeed, is the present day basis on which stock fire insurance companies are operating.

Our agreement with the National Convention of Insurance Commissioners to limit the profits to be derived from net underwriting operations was effected last spring after years of negotiations. It is based on five-year averages, defines confagurations and covers also the relationship between states—all factors of vital importance.

Under this system there is intense and healthy competition between the upward of three hundred stock companies doing business in the United States, with every incentive to keep down their expenses. Of course the best managed companies will make the most money while the cost of fire insurance to the public as a whole, expressed in rates, is limited by definite agreement.

Probably no other business in the world of the magnitude of that transacted by stock fire insurance companies has entered into a voluntary agreement to limit the profit on its net operations to only 5 per cent. with an additional 1 per cent. (for your greater security) to be applied to the accumulation of "confagration reserve funds," which can be drawn upon only in event companies may not be able to meet their liabilities out of surplus funds when confagurations come.

To you men of business I ask this question: Is 5 per cent. distributable profit on our net turnover too much for a business filled with so many intricacies and uncertainties as stock fire insurance and requiring so much knowledge and good judgment in which the competition is so keen?

JOHN B. MORTON,
President
NATIONAL BOARD OF
FIRE UNDERWRITERS
76 WILLIAM STREET, NEW YORK

Copies of "Safeguarding the Home," touching Fire Protection to you and your children will be sent on request.

THIEVES GET \$21,500 LOOT ON LONG ISLAND

Carry 150 Pound Safe From Home of C. F. Hastings at Sands Point.

ESCAPE WITH \$3,000

Robbers Take Valuable Gems From Residence of H. C. Storch.

THREE HOLDUPS IN CITY

Crowd of Negroes Mobs Police in Vain Attempt to Free Prisoner.

New York city had an outbreak of lawlessness yesterday that bore a strong resemblance to the crime wave of several months ago, while on Long Island burglars were also busy, stealing valuables and jewelry valued at \$21,500 from two homes. There were three holdups during the day in the city proper, one at 2:30 in the afternoon in West Twenty-fifth street, another in a tea store in Brooklyn and a third in the 183d street station of the Third Avenue elevated railroad at 3 o'clock in the morning. A crowd of negroes mobbed the police at 131st street and Lenox avenue in an attempt to free a prisoner.

The State police reported yesterday that burglars had carried a 150 pound safe from the home of C. F. Hastings at Sands Point, L. I. The safe contained jewelry, Liberty bonds and stock certificates, all valued at \$8,000. Mr. Hastings, who is a brother of Thomas Hastings, a New York architect, was not at home when the robbery occurred, but other members of his family and servants were on the first floor when the safe was being toted from a second floor bedroom.

Storch Home Is Robbed.
In Port Washington, only a few miles away from Sands Point, jewelry valued at \$13,500 was stolen from the home of Mr. and Mrs. H. C. Storch while they were at the Nassau Country Club playing golf. It included a diamond and platinum ring, a rose diamond wedding ring, a ruby and platinum ring, a pearl and enamel bar pin, a platinum bar pin and a gold watch. The watch was a gift from Miss Carol Harriman, daughter of the late E. H. Harriman, and was inscribed "From Carol to Harriett, Paris, 1913."

Israel Cooper of 766 Court Street, The Bronx, who said he was a member of the firm of Kantor & Cooper, jobbers of watches in Maiden Lane, visited several jewelry stores in Woodhaven, Queens, yesterday. Then he went into a

restaurant at Jamaica Avenue and Ninety-fourth street. In his handbag, he said, were watches worth \$5,000. While he sat at table two men pounced upon him, knocking him senseless with blows of a blackjack on his head. Then they snatched the handbag from the table, ran to the street and joined two other men in an automobile, which went in the direction of Ozone Park. Cooper was taken to Jamaica Hospital, where surgeons said he had a deep scalp wound.

Woman Is Attacked.

Ethel Sommers, a bookkeeper, was attacked in the hallway of the loft building at 155 West Twenty-fifth street, where she is employed by A. Lieberman & Co. She was returning from the bank with a payroll of \$273, and had just entered the building when a man stepped up behind her and said, "Come across with that money."

She carried the money in her handbag, tucked under her arm, and had also a box of chalk, which she had bought on her way back. As the bandit reached for her, she shoved the box of chalk at him. He struck her across the face, grabbed the box, and turned to the left. Her cries reached Patrolman Sline. He reached the door just as a man was coming out, and held him. He said he was Hohn Alliotto of 345 Forty-first street, Brooklyn.

Louis Williams, manager of an Atlantic and Pacific Tea Company store in St. John's place, Brooklyn, was knocked unconscious by two negroes who entered the store yesterday morning and made off with \$15.75 in the cash register.

Six men in an automobile drove up to the 183d street station of the Third Avenue elevated just before 3 o'clock yesterday morning, and made off with \$112 in the ticket agent's safe, after threatening to kill James Dooley, the agent, and the ticket chopper, James Kilpatrick.

Policeman Is Threatened.

Patrolman William Schmittges of the West 135th street precinct was taking Herbert E. Gee, a negro, to the station on a charge of disorderly conduct when a crowd of negroes gathered around him and told him to let the prisoner go. He was only four blocks from the station house at the time. Some one threw a rock, and then Schmittges drew his revolver and fired several shots in the air. Three patrolmen in the vicinity heard them and rushed to his assistance. They were followed by reserves, and the mob was broken up.

Two youths who are charged with robbing the apartment at 501 De Kalb avenue, Brooklyn, of Mrs. Mary Bernitt, a modiste for the Vitagraph Company, were chased and caught yesterday by Patrolman Louis Goldberg. Mrs. Bernitt finding the men in her flat took after them, and her cries brought the policeman into action. He nabbed and handcuffed one of the fugitives, and leaving him in charge of a chauffeur sprinted on and caught the other. The prisoners said they were Nathan Geller of 2778 West Thirty-sixth street and Nathan Feltman, no home. Mrs. Bernitt said they took jewelry worth \$500.

When Mrs. Ida Weber returned from a shopping trip to her apartment at 314 East Twentieth street yesterday afternoon she found the door forced open and two young men busily making a bundle of her silverware, clothing and jewelry. She screamed when she saw them, and one of the men struck her with a blackjack. They ran out, and almost into the arms of detectives from the East Twenty-second street station. A woman neighbor who heard Mrs. Weber scream followed the fugitives, and caught their arrest.

The detectives said they found several pieces of jewelry in the prisoners' pockets. They said they were Andrew Boscoe of 224 Macdougall street, and Edward Romer of 1677 Eighty-fourth street, Brooklyn.

SEVENTEEN MEN KILLED BY N. Y. GANG, SUSPECT SAYS

Continued from First Page.

any work. All of them, however, knew a trade and worked at it occasionally, while several ran businesses of their own, these things being bluffs and disguises.

Fontano said that in Italy eight months ago the man Calozzo shot and killed a brother of Stefano Magaddino and that therefore when Calozzo came to the United States to escape the Italian police he was marked for death. Fontano was chosen for the work, according to the confession, because he had lived in the same province in Sicily from which Calozzo came. He formed a friendship with the man on the basis of a common nativity, and for a time they lived together in a furnished room in 250 West Forty-third street. On July 28, arrangements having been made by the gang, Fontano invited Calozzo to go with him to Asbury Park, which he did.

The man said, Detective Flascchetti stated, that he and Calozzo stayed in Asbury Park at a hotel on the night of July 28, and the next day went to the farm of Salvatore Cigrano. They stayed there the night of July 29, and the next morning he and Salvatore, it is alleged, loaded a shotgun with slugs and buckshot, and Fontano led him to a secluded field, where Calozzo was shot from behind and killed. Fontano says that he then pushed the body into a clump of bushes and returned to the farmhouse, where he waited for two days. On the third day, he told Detective Flascchetti, Lombardi and Puma reached the farm and he took them to the bushes and showed them the body of Calozzo. Then the three, Fontano says, tied the body in a sack and threw it into the river, where it was found several days later by picnickers.

Fontano said, according to Detective

Flascchetti, that at the time the Detroit murders were committed the gang had asked him to go out and take charge of the work because he had lived in Detroit and was familiar with the city, but he had refused. The killing of Calozzo, he said, was the only murder he had actually committed, although he is said to have admitted that he was concerned, as decoy and otherwise, in the killing of several others in Manhattan, The Bronx and Brooklyn. The Detroit murders, he said, came about because some Italians from Detroit came to Brooklyn and shot two members of the Bonventre gang, whereupon the gunmen of the New York gang went to Detroit and killed nine.

The reason that he had not killed more men himself, Fontano said, was that it was a custom of the gang to use a killer for a few crimes and then to cause him to disappear suddenly. He told a gruesome story to Detective Flascchetti regarding the plans for his own disappearance. He said that some days after he had returned from Asbury Park, having accomplished the murder of Calozzo, he had been invited to go to Brooklyn, where it was said that money would be paid to him and that he would be entertained and fed.

One of the members of the gang was his friend, however, and the man told him that this was not really the scheme. What was really intended, this man said, was to have Fontano go to Brooklyn and visit with the gang at the place of one of them, who was a baker. When Fontano got there, this man said, it was the intention of the gang to throw him alive in the baker's oven and cook him to death, cremating him, so that he would disappear absolutely without any trace, and therefore cease to be a danger to the gang because of the possibility that he might be arrested and inform against them.

Fontano told Detective Flascchetti that so far as the gang was concerned he is now that he had been arrested and given the opportunity to inform was worth absolutely nothing. Therefore, he said, he might as well tell all that he knew. He insisted that his tale of the murder gang, avenging family feud dating back two and more generations and transplanted from Italy, and avenging recent insults over women and card tables, was true, and so far as the police have been able to check up on it, "the man appears" to be stating facts. Detective Flascchetti hopes that he will be able to put at the door of the Bonventre gang many murders in Little Italy and Mulberry Bend which have been unsolved for many years.

DREICER & Co

Pearls and Jewels

FIFTH AVENUE AT FORTY-SIXTH

This is No. 6 of a series of talks on Bonds in general and special groups of Investment Bonds. Copies of these talks may be had on request by writing Financial Department, New York Herald, 280 Broadway.

BONDS

of American Industries

It was but natural that our great Industrial machinery should have found itself somewhat out of gear after accomplishing the stupendous task of equipping a thoroughly unprepared nation for a world war.

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The Present Position of American Industrial Bonds

A number of the Bonds of American Industrial Companies are selling to-day at prices materially below their intrinsic values.

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The average yield of all other Bonds is materially lower at the present time than the average yield of Industrial Bonds.

Bond authorities are of the opinion that many Industrials, of the highest rating, are selling out of line with the value of money. This, in simple language, means Bargain Prices in Industrial Bonds.

Points Well Worth Considering

1. Industrial Bonds are an excellent Business Man's Investment. They are well suited to those active in business affairs and accustomed to seek added compensation through business acumen.
2. There are any number of Industrial Bonds available which are absolute First Mortgages on properties which are conservatively valued much in excess of Bonded indebtedness.
3. Good Industrial Bonds, when purchased from reputable Bond firms, can be readily resold if desired.

Points Well Worth Remembering

1. When investing money, in any amount, it should be kept in mind that the excellence of your investments largely depends upon the integrity of the house with which you do business. A responsible Bond firm is better able to select for you the right type of Bonds, to suit your needs, than you yourself will be able to choose.
2. Buy only those investment Bonds which are sponsored when issued by reputable Bond Houses and which are originally advertised in newspapers censoring their financial advertising. The New York Herald is a recognized newspaper authority on Bonds and carries the advertisements of new Bond issues of merit as well as current offerings of issued Bonds.

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